



Dear Shareholder and Investors

The Board of Artha Resources Corporation provides this corporate update on the Company's operations and outlines our near term goals for exploration of our property portfolio in Argentina.

We would first like to thank you for your continued support as a shareholder of Artha over the recent period of corporate development. Your Board and Management Team are very optimistic about several upcoming operational advancements that will present significant upside potential for the Company, particularly in light of positive upward trends in the silver and gold markets coupled with recent permitting approval for our cornerstone Pirquitas Properties.

As you would be aware, the Junior Resources sector globally faces growing challenges on a number of fronts, largely due to ongoing international investment uncertainty. However, opportunities are arising from the commitment by a significant number of governments, in particular the United States, to policies of quantitative easing which have proven to lead to an international investment and retail preference for hard assets including gold and silver. The resultant currency pressure is expected by many to provide continued strength in the precious metals sector, as reflected by significant upward trends in gold and silver prices. This trend is a major advantage for Artha shareholders due to our primary focus on gold and silver properties.

Background

Artha's strategy since inception has been to identify, acquire and become a dominant explorer in this highly prospective yet highly under-explored north west of Argentina, in particular, the provinces of Jujuy and Salta in Northern Argentina.

When the Company was offered the opportunity to option a suite of properties in this area in 2009, the Board identified a rare opportunity to move into a region of highly prospective geology coupled with a large number of recorded mineral occurrences and operating mines, and in the particular case of Jujuy Province, very little modern exploration.

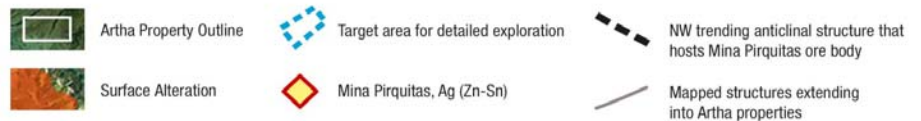
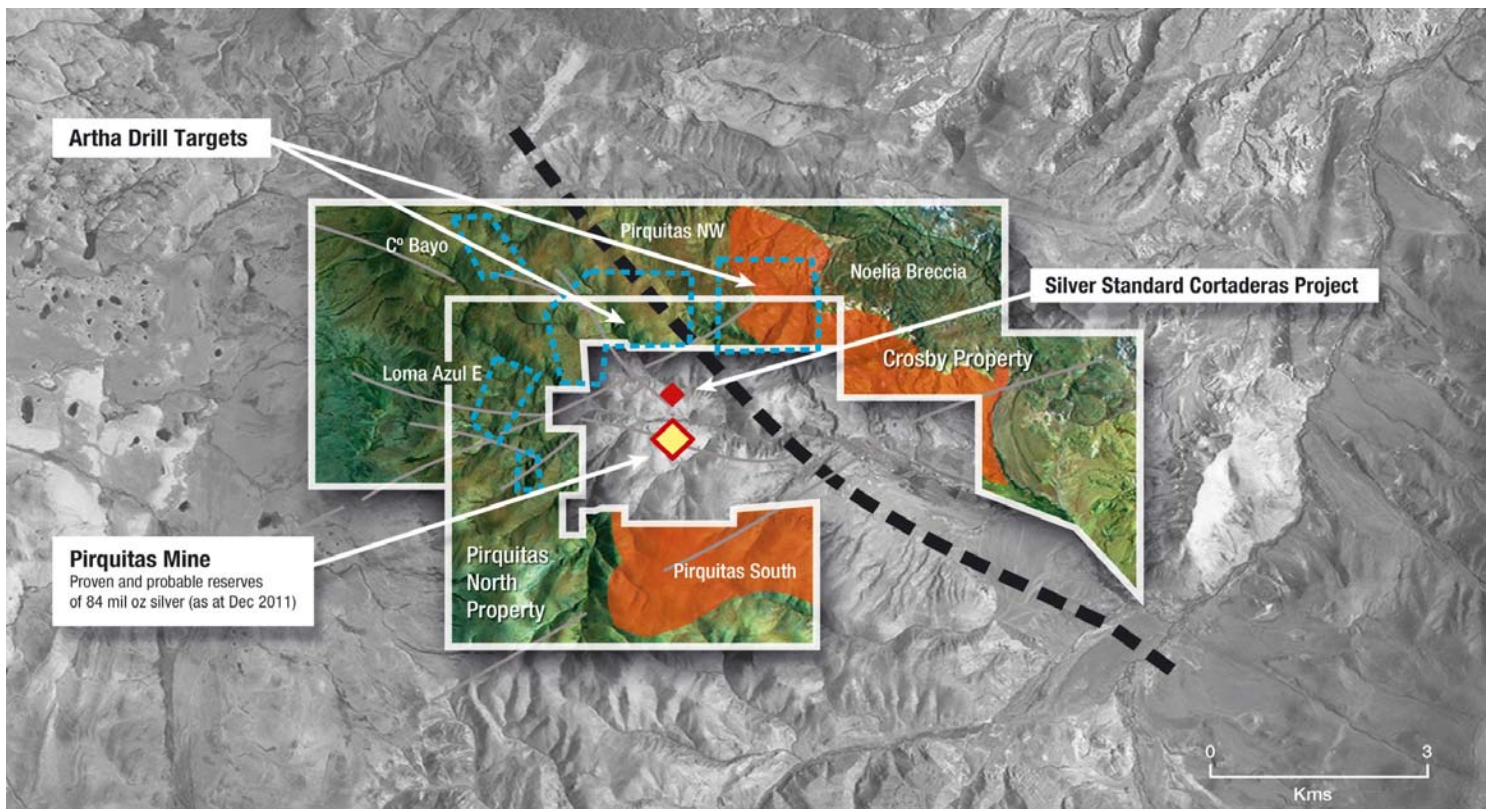
Artha's technical and management team have decades of experience and local knowledge in the mining industry in these areas which offers a critical advantage when it comes to understanding the legislation and the local communities. With this knowledge, the Company made the strategic decision to become a major land holder in the province, confident that the area will become highly sought after in time, providing unique opportunities for future growth and development of its world class suite of projects.

The development of Artha's projects adjacent to Silver Standard's Pirquitas silver mine demonstrated not only the enormous geological potential of the area, but more importantly that foreign companies were willing to commit significant capital to the region, again demonstrating the longer term potential of Jujuy.

The recent acquisition of the required permits to explore our properties neighbouring the Pirquitas mine, is a major milestone in the developing potential of Artha's story. Given the strategic importance of the Pirquitas property, it was mission critical to management that we achieve a sound Community Agreement and this mission was accomplished. Obtaining these permits not only allows us to reinvigorate our exploration but also demonstrates the support we have from the local community, which is crucial to any future success.

Moving Forward

Proximity to an operating mine is always a highly sought after location for any potential discovery, and as such, our Pirquitas properties form the cornerstone of Artha's strategy. Silver Standard spent \$250 million building the Pirquitas Mine and achieved commercial production in 2009. At full production the mine will produce an average of 8 to 10 million ounces of silver and 10 to 12 million pounds of zinc annually, ranking Pirquitas among the largest primary silver producers in the world. As demonstrated in the map below, you can clearly see that Artha has consolidated a significant and strategic land package that all but surrounds the Pirquitas mine.



The renewed exploration efforts and recent success of drilling and associated exploration by Silver Standard at the neighbouring mine confirms the potential of the Pirquitas geology. The Pirquitas open pit is 2km away from Artha's previously established drill targets and in September Silver Standard announced several stunning intersections including **78 meters of 756 gpt silver and 9.8% zinc** at the Cortaderas Breccia deposit only 1km away from Artha's initial targets established along the border.

Artha's team wants to begin drilling at Pirquitas as soon as possible. The first step is to get a geological team on the ground to perform follow up mapping and sampling on targets generated from the last program. The Company expects this will generate additional drill targets which when combined with the existing targets will make for a much more exciting and comprehensive program where multiple targets are drill tested.

Our Portfolio

Artha has built a strategic portfolio of mineral properties covering over 2,100km² and is continually reviewing opportunities in this prolific mineral belt. Included in this portfolio is an advanced gold/silver target called Organullo. The Organullo project is an epithermal gold-silver project with excellent potential for both high grade gold and silver as well as bulk tonnage lower grade gold and silver mineralization. See Artha news release dated July 5th, 2012 for details on this target.

Located 34km from Pirquitas is Rosario, 350km² of properties surrounding known gold and tin deposits, including historical mining operations with no known modern exploration.

Artha's rare earth portfolio now covers over 900 km². Reconnaissance mapping at Susques identified a number of parallel multi-kilometre long carbonatite dykes with high levels of neodymium sampled at the Patricia Dyke, the most valuable of the light rare earth elements. At Cachi the geology is prospective for pegmatite related rare earth mineralization based on extensive granitoid intrusions extending for over 40km in strike, with pegmatite dykes up to 300 meters wide intruding neo-proterozoic gneiss. Artha's management team encourages shareholders to review the entire portfolio at www.artharesources.com.

Artha remains fully committed to continuing our efforts in Argentina, and the Board is confident that our team's hard work will be rewarded as we again focus on our Pirquitas properties, thanks to the recent agreement reached with the local community for the required permits. We believe the Company is well positioned to replicate Silver Standard's success with drill targets already delineated.

Your Board and management is equipped to meet the challenges ahead with our strong and experienced team and we are confident and excited about the prospects of the Company and its initiatives over the coming months.

We are committed to the further progress of the Company to the benefit of our shareholders and we look forward to your continued support and to sharing the journey with you as Artha moves to a rewarding future.

On behalf of the Board of Directors of
Artha Resources Corporation

Charles Straw, CEO
October 11, 2012

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